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IN THE
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1976

No. 76-508

KAYSER—ROTH CORPORATION,
v.
TIGHTS, INCORPORATED,

Petitioner,

Respondent.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

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To the Honorable, the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Tights, Incorporated, respondent herein, prays that the petition for writ of certiorari filed herein by Kayser—Roth Corporation, petitioner, be denied.

Opinion Below

The opinion of the Court of Appeals is not yet officially reported. The entire opinion is set forth as Appendix A of the Petition, la through 27a.

Jurisdiction

The jurisdictional requisites are adequately set forth in the Petition.

Counterstatement of Questions Presented

1. Whether, after a nine-day trial that developed ample evidence to support the findings of the jury and the District Court's judgment of patent validity, the Appellate Court should be required to redetermine the facts found by the jury.
2. Whether, when the jury has been fully and properly instructed as to the required factual elements underlying a determination of non-obviousness, the District Court abused its discretion in submitting the obviousness issue in a form permitting a "yes" or "no" response.

Constitutional Provision Involved

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law. United States Constitution, Amend. VII.

Statues and Rules Involved

The statutes and rules involved are correctly set forth in the Petition.

Counterstatement of the Case

The patent in suit — Rice Reissue Patent No. RE 25,360 — expired on March 18, 1975. It originally issued in 1958 and reissued in 1963, and, as the Court of Appeals recognized, described what later came to be known as panty hose (Pet. 3a.).* The claim was limited to circularly knit (or seamless) panty hose "with a single U-shaped seam running from the front to the back through the crotch area and having no intervening crotch piece or gusset" (Pet. 3a).

In October, 1974, the patent's validity was the subject of a nine-day jury trial. At the close of all the evidence, Petitioner moved for a directed verdict on the grounds that the Rice Patent had been "anticip-

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*References to the decision by the Court of Appeals, which is not yet reported but which is set forth in full in the Appendix to the Petition, will be by reference to the appropriate page in the Petition, *e.g.*, "Pet. 3a."

Reference to the Petitioner-Defendant's exhibits at trial are prefaced by the letters "DX" followed by the exhibit number, *e.g.*, "DX 8." References to the trial transcript are preceded by the letters "TR" followed by the page number, *e.g.*, "TR 8." References to the Respondent-Plaintiff's exhibits at trial are prefaced by the letters "PX" followed by the exhibit number, *e.g.*, "PX 8." References to the Respondent's Appendix on appeal to the Circuit Court are prefaced by the letters "P. App." followed by the page number, *e.g.*, "P. App. 8."

ated" (35 U.S.C. §102(a) (b)) and that it was procured by fraud on the Patent Office. Obviousness was not mentioned by name or implication (Pet. 18a). The motion for directed verdict was denied, and the jury was fully and adequately charged on all the issues in the case. Petitioner did not challenge the Court's charge on any of the issues that are in any way presented by its Petition.

Following the charge, eight interrogatories were submitted to the jury, which answered them all in the negative, consistent with a determination of validity of the patent.* The trial judge thereupon adopted the findings of the jury as his own, and entered judgment of validity (P. App. 161).

Petitioner then made its Rule 50 motion for judgment notwithstanding the verdict. This time, however, the motion was solely on the basis of "obviousness" (35 U.S.C. § 103); "anticipation" was not included as a ground for Petitioner's post trial motion (P. App. 162). This motion, too, was denied, and Petitioner appealed to the United States Court of Appeals for the Fourth Circuit. That Court, after a full and careful review of all the evidence below, held that the jury was properly instructed as to the applicable law (a conclusion Petitioner does not challenge here), that its findings "were amply supported by the evidence," and that the judgment of the District Court should be affirmed (Pet. 27a).

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*The only interrogatory Petitioner complains about is No. 4, directed to the § 103 "obviousness" inquiry. That entire interrogatory, in the form in which it went to the jury, is set forth *infra* at 14-15.

Specifically as to the key question of obviousness under § 103 of the patent law, the Circuit Court held, first, that Petitioner had "not preserved for . . . review the question of sufficiency of the evidence as to the non-obviousness of the Rice Patent" (Pet. 17a), because it had not made obviousness the subject of its motion for a directed verdict, either "directly by name or indirectly by concept" (Pet. 18a). It went on, however, to review the evidence fully and to hold, "as an alternative ground for . . . decision" (Pet. 18a), that even if the question *had* been preserved, "the jury's determination as to obviousness was fully supported by the record" (Pet. 22a).

Counterstatement of the Facts

The opinion of the Fourth Circuit very pointedly demonstrates that the trial developed sharply conflicting evidence, much of which amply supported the findings of the jury and the legal conclusion of validity of the Rice Patent. Thus, that Court recognized that, contrary to the assertions of Petitioner now, it was "as clear as any evidence adduced at the trial" that when the patent issued, Rice's invention was anything but "obvious" to Petitioner itself (Pet. 19a), not to mention the rest of the industry. Documentary evidence (PX 2;19;27;29;33;101) and testimony (P. App. 41-43; 55-56; 15-16) established that uniform disbelief in Rice's invention reigned for nearly eight years after his patent issued. One highly qualified expert found it "amazing" when, in 1966, he accidentally discovered that the Rice invention would work (Pet. 20a; P. App. 15; TR 51).

At the trial, Petitioner presented the same "prior art" documents it sets forth in its Petition under the heading "The Prior Art" (Pet. 8-9). Petitioner apparently would have it that these documents, reviewed alone and without clarification or explanation by those in the fields to which they relate, compel a conclusion of invalidity contrary to that reached by the District Court and the Court of Appeals after full familiarity with the review of the record. At the trial, however, these same references were the subject of days and days of testimony by skilled artisans and experts, designed to show what they really disclosed and taught. The Fourth Circuit, after full review of all of the record, very pointedly recognized that the testimony as to these references established, not that they anticipated or made obvious Rice's invention, but that they taught Rice's impossibility (Pet. 21a).

The Fourth Circuit was right. For example, at the trial, as here, Petitioner placed great reliance on the Sutton Patent No. 475,734. It argued that Sutton anticipated Rice and made it obvious. Yet the evidence clearly showed that Sutton was a garment made for a totally different purpose than Rice and that it was far removed from the art in which Rice worked (P. App. 36; 93). Indeed, Respondent's evidence clearly showed, among other things, that Sutton, which was a fully fashioned, not circularly knit, garment required either a crotch piece or extra fabric knitted into the crotch. (Pet. 5a). Rice's machinery was incapable of knitting extra fabric into the garment. Petitioner's own expert agreed * (P. App. 48-51).

*The jury concluded from Respondent's evidence, which the Circuit Court considered "substantial, . . . even . . . overwhelming" that the Sutton Patent had been put before the Patent Office examiner (Pet. 26a). It also specifically found, as the evidence fully supported, that Sutton was no more pertinent in any respect to the Rice claim than any of the other patents referred to in the patent application (Pet. 10a).

Likewise, Respondent's evidence showed that the Voigt Gebrauchsmuster, insofar as it disclosed anything intelligible to the artisan at all, disclosed only heavy tights with a sewn in crotch piece (P. App. 197-204); the Appleton garment disclosed men's drawers (DX 200) which called for the inclusion of a crotch piece and a fly (Pet. 15a); and the Goodman garment disclosed fully fashioned tights (Pet. 13a) with a crotch piece (Pet. 15a). Both Goodman and Appleton were cited by the Examiner in the Rice Reissue Patent. None of those references were in Rice's art of fine gauge ladies' hosiery.

The Petition calculatedly disregards all of this evidence, and much more, which so compellingly supports the conclusion that the Rice Patent is valid. Instead, petitioner repeats, as it did in the two courts below, its shilboleth that the Rice Patent is for "fourteenth century pages' pants." The phrase is totally misleading as applied to the art in which Rice worked in the year 1956. It literally ignores nine days of evidence taken at trial, dozens of patents introduced by the parties as indicative of the problem Rice sought to solve, and the limitations of the mass production machinery with which he worked, not to mention the revolution his garment caused in the ladies' seamless nylon industry (P. App. 18-19). The page boy phrase is a catchword and should not be taken as a serious statement of fact in this case. The jury, the trial judge and the Fourth Circuit penetrated its alluring veneer after full consideration of the evidence.

Reasons Why the Writ Should Not Be Granted

1. Petitioner did not preserve for review by the Court of Appeals the issues as to which it now seeks review by this Court. Where the questions presented have not been preserved below, they are not properly brought to this Court upon Petition for Certiorari. *Tyrrell v. District of Columbia*, 243 U.S. 1, 5, 6, (1917).

Specifically, at the trial of this case, Petitioner did not move for directed verdict on the question of non-obviousness. The Court of Appeals properly held that, as a result, the Petitioner and its co-defendants had "not preserved for this Court's review the question of the sufficiency of the evidenc as to the nonobviousness of the Rice Patent" (Pet. 17a).* Petitioner does not challenge this holding, but studiously ignores it and nevertheless seeks to present as questions for this Court whether the standard of review applied below was correct, and whether the factual issues relating to nonobviousness were properly presented for determination by the jury. In short, Petitioner raises the "standard" of review in a case where it has abandoned the very *right* to review on the core issue of obviousness. It raises a question about how the issue is submitted to the jury where, again, it has waived the right to

*Despite its holding, the Fourth Circuit went on to carefully review the evidence and find it ample to support the jury's findings relating to nonobviousness. This review was conducted, however, expressly "as an alternative ground for [the Court's] decision" (Pet. 18a). Discussion of the evidence as to non-obviousness does not alter the fact that the right to review was not preserved below. *See Tyrrell v. District of Columbia, supra*, 243 U.S. at 5-6.

review of the evidence on that issue. The point is, Petitioner's questions have no underpinning; they are not bottomed upon any existing issue in this case. For this reason, the entire Petition for Writ of Certiorari is "rested upon a wholly unsubstantial and non-existing ground, . . . " *Tyrrell v. District of Columbia, supra*, 243 U.S. at 4, and the matters presented are not properly before the Court. *Id.* at 6.*

2. Certiorari is not warranted where a decision on the questions presented would not alter the result of the ruling below. *See "SS Monrosa" v. Carbon Black Export, Inc.*, 359 U.S. 180, 183-84 (1959). Here, there is an alternative basis for the decision below. As noted, Petitioner did not preserve for review the question of the sufficiency of the evidence as to the nonobviousness of the Rice Patent. The Circuit Court so held, and its decision on this key issue rests independently on that basis. Thus, inquiry into the "standard of review" or into the way in which the obviousness fact inquiries were submitted to the jury, even if decided adversely to the Respondent, would not change the result of this case, where the very right to review of the evidence on the underlying question was not preserved. Under such circumstances, review by certiorari is not merited. As put in

*Neither did Petitioner preserve the right to review of the evidence on the § 102 "anticipation" issue, for in making its judgment n.o.v. motion after the trial it failed to include anticipation as a ground. The Court of Appeals took note of this (Pet. 11a n.4), and although it found it unnecessary to *hold* there had been no preservation of the right to review on this question, Petitioner's failure in this regard is clear.

"*SS Monrosa*" *v. Carbon Black Export, Inc.*, 359 U.S. 180 (1959), where a question was presented which, if decided, would not alter the stance of the Court below,

> "While this court decides questions of public importance, it decides them in the context of meaningful litigation. Its function in resolving conflicts among the Courts of Appeals is judicial, not simply administrative or managerial." *Id.* at 184.

In effect, then, the Petitioner is seeking to have this Court review an abstract or academic question. But this Court said, in *Rice v. Sioux City Memorial Park Cemetary, Inc.*, 349 U.S. 70, 74 (1955), that certiorari should not be granted to review an issue which may

> ". . . abstractly considered . . . present an intellectually interesting . . . problem . . . [T]his Court does not sit to satisfy a scholarly interest in such issues. Nor does it sit for the benefit of the particular litigants . . . 'Special and important reasons' imply a reach to the problem beyond the academic or the episodic."

3. Petitioner invites this Court to grant certiorari to rule that, in a patent case where certain facts were found by a jury, there should be an "independent adjudication" at the appellate level.* Stripped to its

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*This Court recently denied certiorari in a case presenting essentially the same request. *Spound v. Mahasco Industries, Inc.*, 534 F. 2d 404 (1st Cir. 1976), *cert. denied.* No. 76-197, October 12, 1976.

essence, Petitioner's argument is over the facts of this case; its demand is that the appellate court redetermine them. The approach is liberally to lace the Petition with statements of "fact" which are but argument or, at best, which are only statements of Petitioner's own version of the facts. This case is the product of a nine-day trial. Days of testimony from skilled artisans and experts, among others, developed sharply conflicting evidence on matters Petitioner presents here as uncontradicted. For example, Petitioner presents documentary prior art to this Court as being uncontradicted even though days of oral testimony developed considerable conflict over what the documents disclosed or taught. In sum, as the Fourth Circuit's opinion alone makes plain, there was ample evidence supporting Respondent's position on every issue in the case. The jury was fully and accurately charged.* It answered the eight interrogatories, and the District Court Judge, who heard and had opportunity to evaluate all of the evidence, adopted the findings of the jury as his own and entered judgment of validity (P. App. 161). Then, as is apparent from its decision, the Court of Appeals conducted a thorough review of the evidence, even on issues as to which Petitioner had not preserved the right to review. The Circuit Court's review was expressly conducted with full attention to the legal standards as expressed by

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*The jury charge was completely proper. It included full instructions on the legal standards for patentability as set forth by this Court in *Great A & P Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950). Petitioner did not challenge the charge below on issues raised by its Petition, and cannot challenge it here.

this Court in *Great A & P Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950), and *Sakraida v. Ag Pro, Inc.*, 96 S. Ct. 1532 (1976). After this full review, the Circuit Court concluded that the jury was properly instructed, that its findings "were amply supported by the evidence" (Pet. 27a.), and that the District Court's entry of judgment of validity was proper.

The Petition disregards all this, however, and instead weaves *Petitioner's* so-called facts together with catch lines about "jury patents," "fourteenth century pages' pants," and "one court rule," resulting in rhetoric that has little or nothing to do with the real case. Viewed in the fundamental light of volumes of testimony, it is readily apparent that the Petition does not accurately summarize the evidence, the acts of the jury, the District Court judge, or the Court of Appeals below, and does not describe any issue worthy of review by this Court. What Petitioner really invites is that this Court grant certiorari to review conflicting evidence, and to order that the Appellate Court redetermine the facts, and more, that it redetermine them Petitioner's way. In the first place, the resolution of conflicting evidence is the purpose of the trial. A review of such evidence is hardly of the importance required to merit review by certiorari. *See National Labor Relations Board v. Pittsburgh Steamship Co.*, 340 U.S. 498, 503 (1951). More fundamentally, Petitioner's request that the Circuit Court be ordered to weigh the evidence and redetermine the facts runs directly afoul of the Seventh Amendment. As put by this Court in *Atlantic & Gulf Stevedores, Inc. v. Ellerman Lines, Ltd.*, 369 U.S. 355, 358-359 (1962),

> "[N]either we nor the Court of Appeals can redetermine facts found by the jury any more than the District Court can predetermine them. For the Seventh Amendment says that 'no fact tried by a jury, shall be otherwise re-examined in any Court of the United States than according to the rules of common law.' "

It is submitted that a request for review by this Court to rule directly contrary to the dictate of the Seventh Amendment does not warrant serious consideration.

4. Petitioner suggests (but does not cite as a "question presented") that certiorari should be granted to resolve a conflict among the various Circuits as to whether obviousness is a question of fact or of law. First, this Court has recently denied certiorari in patent cases tried to a jury where substantially identical circumstances were presented. *Spound v. Mohasco Industries, Inc.*, 534 F. 2d. 404 (1st Cir. 1976), *cert. denied*, No. 76-197, Oct. 12, 1976; *Moore v. Schultz*, 491 F. 2d 294 (10th Cir. 1974), *cert. denied*, 419 U.S. 930 (1974). Secondly, the Appellate Court here declared the obviousness question ultimately to be one of law (Pet. 22a), and it reviewed the evidence in that light. This was, of course, the result most favorable to Petitioner, and a ruling by this Court that obviousness is a question of fact could not better Petitioner's case. Finally, the "conflict," to the extent there appears to be one, is of little moment. All Courts agree that the ultimate question of validity is one of law, *Great A & P Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950), and the question of

obviousness involves three basic factual inquiries. *Graham v. John Deere Co.*, 383 U.S. 1 (1966). Thus, in all such cases, as here, basic factual determinations are reviewed in the light of basic legal requirements. There is, in short, no "real and embarrassing conflict" between the Circuits. *Layne & Bowler Corp. v. Western Well Works, Inc.*, 261 U.S. 387, 393 (1923).

5. Petitioner seeks certiorari on the grounds that the jury was asked to determine the basic factual underpinnings of obviousness in a form on the issue sheet permitting a "yes" or "no" answer. The jury was fully and fairly instructed on the basic factual inquiries underlying the question of obviousness (Pet. 24a). Petitioner does not contend otherwise. Additionally, the jury was advised *on the issue sheet itself* that, in order to answer the inquiry relating to obviousness, it must satisfy itself as to the basic factual elements this Court set forth in *Graham v. John Deere Co.*, 383 U.S. 1 (1966).*

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*Interrogatory No. 4, as it was submitted to the jury, read as follows:

"To answer the next Interrogatory No. 4 you must first satisfy yourselves, based on the evidence before you, on these basic factual inquiries:

(1) You must determine the scope and content of the prior art; (2) you must ascertain the differences, if any, between the prior art and the claim of the patent at issue; and (3) you must determine the level of ordinary skill in the pertinent art. Against this background you must answer Interrogatory No. 4.

Interrogatory	Unanimous Answer of the Jury
4. Do you find, from clear and convincing evidence, that the differences between the claim of the Rice patent and the prior art are such that the subject matter of the claim as a whole would have been obvious, at the time the invention was made by Mr. Rice, to a person having ordinary skill in the art to which the subject matter of the claim pertains? ("Yes" or "No")	

It is apparent, then, that the jury had full information as to the basic factual inquiries involved in a determination of obviousness. It is further apparent, from the Circuit Court's opinion itself, that there was ample evidence upon which the jury could find each of the subsidiary fact questions, and that it did so find in its answer to the inquiry No. 4 (Pet. 25a).

Petitioner is left to assert, therefore, that certiorari should be granted to review the District Court's exercise of its discretion in refusing to require the jury to make detailed written findings in their own language. This same contention has been rejected by other courts, e.g., *Panther Pumps & Equipment Co., Inc. v. Hydrocraft, Inc.*, 468 F. 2d 224, 227-8 (7th Cir. 1972), *cert denied*, 411 U.S. 685 (1973) (held proper to ask jury, under proper instructions, if patent was "valid"), and it is plainly not one of those issues

of such import as to require this Court's attention by grant of certiorari.

Conclusion

For all the foregoing reasons, the Petition for a Writ of Certiorari should be denied.

Respectfully submitted,

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